

KENTUCKY WORKFORCE INVESTMENT BOARD

August 8, 2006, Minutes

Berry Hill Mansion Music Room
700 Louisville Road
Frankfort, Kentucky

I. Call to Order

Mr. George Burkley, Chair, Kentucky Workforce Investment Board (KWIB), called the meeting to order at 10:15 a.m.

A. New Member Swearing-in

Mr. Burkley asked three new members (Ms. Lisa Araya, Ms. Dixie Hamblin, and Mr. Michael Simpson) to introduce themselves. Judge Wingate then performed the swearing-in ceremony.

B. Roll Call

The following members were present: Ms. Lisa Araya, Ms. Sharon Bird, Senator Charlie Borders, Mr. George Burkley, Executive Director Andrew Fraenhoffer, Secretary of State Trey Grayson, Ms. Dixie Hamblin, Ms. Kimberly Maffet, Senator Vernie McGaha, Mr. Bill Parson, Mr. Michael Simpson, Ms. Nancy Spivey, and Ms. Sue Tamme.

The following members were absent: Mayor Jerry Abramson, Representative Larry Clark, Mr. Don Doty, Judge/Executive Bill May, Dr. Michael McCall, and (Retired) General James Shane.

C. Establishment of Quorum

A quorum of 10 members was surpassed with 13 of 19 appointed members present.

D. Comments

Mr. Burkley noted the following:

- Governor Martha Layne Collins resigned from the KWIB; her term expired June 30, 2006.
- The KWIB has 5-6 positions to fill; 3-4 prospective new members are in process.
- He and Elizabeth Hack will attend the National Governors Association 2006 Summer State Chairs meeting in Jackson Hole, Wyoming, the week of August 14th. They anticipate receiving information about fundamental and philosophical issues at the federal level.

Elizabeth Hack reported that a Sector Strategies Grant proposal (Agenda Packet, p. 12) had been submitted for Kentucky. If awarded, the grant will not provide a significant amount of money (only enough for one trip to Washington, D.C., for team members) but it will provide an opportunity for workforce partners to collaborate on a sector-related strategy for the state at the policy-making level. Kentucky has chosen health care as its sector. The grants will be awarded August 11, 2006, to five out of 15 states who applied.

II. Action Items

A. Approval of Minutes

The minutes of the May 9, 2006, KWIB meeting were approved as presented. Motion by Senator McGaha; seconded by Ms. Maffet. There was no opposition.

B. Committee Reports

1. Alignment Committee: Mr. Burkley reported that a new chair will be selected for the Alignment Committee following the resignation of Governor Collins. The work of this committee ties closely with information that will be presented in Susan Craft's report.

2. Access Committee: Chair Nancy Spivey reported that the Access Committee met in late May and expects to meet again in late August. Committee members have met with local boards to orient themselves to the local board structures and needs. The Northern Kentucky local area plans a regional meeting with other states.

Mr. Burkley urged KWIB members to regularly connect with local boards, and asked this committee to initiate a coordinated effort to assist each KWIB member to visit their local WIB primary location and other LWIB sites if possible.

3. Accountability Committee: Chair Maffet reported that the Accountability Committee met after the previous KWIB meeting in May. She noted that accountability issues are bound by federal regulations.

Linda Prewitt explained the accountability-related WIA Federal Performance Standards and Kentucky's performance handouts. She noted that the Office of Employment and Training has contracted with Western Kentucky University for production and analysis of required reports. A report is due from WKU by January 2007.

Mr. Burkley noted the significance of analyzing data and the strategic importance of revisiting performance measures in a consistent and fundamental way. He stressed the need to focus on economic development, not just back-to-work. He stated that an effort will be made to gather information about best practices in the reporting of performance measures from lead states such as Texas, Florida, and Washington. It is believed that such information will be available at the upcoming State Chairs meeting.

4. Awareness Committee: Chair Sharon Bird reported that a preliminary Awareness Committee meeting was held the previous week. She expressed concern regarding Secretary DeRocco's plans and stated that the committee will not initiate activities until decisions regarding those plans are finalized.

The committee will delay evaluation of local branding but encouraged greater emphasis on the Unbridled Spirit brand in addition to use of the local brands.

Committee member Secretary of State Trey Grayson supported the decision to delay action until the federal role has been determined.

Mr. Burkley emphasized the need to hear what the locals are doing, to find commonalities among the local area brands and marketing avenues, and to find ways to support the LWIAs without getting in the way. Ms. Bird spoke of the need to make the BRAC initiative more widely known across the state as well as Ford related issues in Louisville and the proposed UPS expansion.

Ms. Bird concluded the committee report by suggesting that KWIB members send op-ed pieces to local papers regarding BRAC, UPS, and other workforce development initiatives.

III. Administrative Reports

A. Workforce Investment Act Report

Susan Craft, Director, Division of Workforce and Employment Services, welcomed new members then noted the following:

- The importance of workforce and education issues in state and global communities.
- Information obtained during her attendance at the National Governors Association State Liaisons meeting in Milwaukee.
- A legislative update:
 - WIA reauthorization may not occur, but if it does, the passage may be quick.
 - U.S. Senate and House versions of the WIA Reauthorization bills differ.
 - The Senate bill does not include rescission of funds; it does include the faith based segment.
 - As the result of excessive salaries paid to program directors in other areas of the country, all local offices will be investigated. State central offices will be required to review and sign off on local area salary reports. A tool, currently in draft form, developed by USDOL-OIG will be used. Implementation will take place in 3-6 months.
 - Two states will pilot the USDOL's Career Advancement Accounts.
 - Three foundations presented information on how to get grant dollars.
 - Efforts are underway to assist Katrina refugees return to their original areas, if they so desire.
 - Michigan and Wisconsin discussed initiatives regarding low income workers and immigrants.
 - The WIRED Initiative will issue planning instructions in the next months regarding regional sector plans.
- According to a report given by Ms. Gay Gilbert, USDOL staff, states affected by General Motors and Ford layoffs are receiving assistance.

- USDOL will have similar opportunities for other states to implement pilot CAAs.
- USDOL is making some changes in the CAA proposal.
- NASWA may no longer administer some grants; rather, USDOL may administer grants directly.
- For Kentucky, there is an issue regarding formal agreements to share wage and related information with border states.
- All grant solicitations will include a point structure to support WIRED and regional economic strategies.
- USDOL is seeking new ways to get input from states.
- USDOL may suggest reconstituting local boards to better represent local economies.
- States are encouraged to increase regional cooperation.
- Kentucky had several representatives at the Workforce Innovations conference in California where the focus was on regional economies, the WIRED system and its relevance.
- Regarding integration plans, OET is working with the 10 local workforce areas to identify a single comprehensive one-stop in each area. Effort is being made to integrate services in these centers. Helen Parker and Pete Fleming, DOL-ETA Atlanta, participated in related Kentucky meetings. Ms. Craft reported that each LWIA had been asked to develop a plan for combining services in one combination one-stop without reference to the impact of differing funding sources for the various services.
- Regarding rescission, the US House of Representatives reauthorization bill cuts \$680 million in training services. USDOL reports \$1.2 billion in unspent resources which USDOL says indicates that the cut would not disadvantage states. However, Kentucky would lose \$7.5 million for providing services. Therefore, it is imperative to contact congressional representatives regarding the potential impact on Kentucky.
- Kentucky governor's statewide reserve funds are making \$1.3 million available to LWIAs to continue service to individuals currently being assisted.

Ms. Craft referenced the Summary of Dislocation Records (Agenda Packet, p. 30), staffing changes due to higher than usual number of retirements, and possible implementation of new software for better management analysis.

She briefly reported that UPS has implemented a program for youth that provides part-time employment and pays 100 percent of college tuition for those youth. UPS also is partnering with the Lincoln Trail LWIA and CPAC (Civilian Personnel Advisory Center) to identify skill sets needed by UPS versus skills held by current Fort Knox employees who will be seeking new employment as a result of BRAC-related changes. UPS plans to hire 5,000 new employees; Fort Knox is seeking positions for 1,800 individuals. Sherry Johnson was instrumental in identifying this opportunity for partnering.

Regarding the Louisville Ford situation, Ms. Craft expects the situation to be discussed at very high levels. She anticipates assistance and support from USDOL.

Board members agreed that if possible, they should encourage contact with congressional representatives regarding the impact of the proposed rescission. It was noted that any such letters must reflect individual entity concerns and situations.

B. Perkins Update

Mr. David Billingsley, Executive Director, Office of Career and Technical Education, provided written reports on the Perkins program and the Pike County Mining Initiative. In his comments, he noted that the current Perkins act expires on June 30, 2007, and that reauthorization was passed by both the U.S. Senate and House of Representatives and is ready for President Bush's signature, which is anticipated. There were no significant changes in the reauthorization; however, there were minor changes affecting program accountability requirements. Performance indicators now require that related education be aligned with the state's No Child Left Behind requirements and with required regional industry standards. He noted that a new state plan is required and that KWIB input into that plan is required.

Regarding the Pike County Mining Initiative, he noted that it had been funded by the Governor's statewide reserve funds. Electricity, machine tool, diesel technology, and weld/pipe fitting programs had been modified to meet current needs. Approximately 300 students had signed up for the four programs. Because residents of Pike County often prefer to remain in that area, it is anticipated that students who complete the programs will seek employment in local mining operations. Mr. Billingsley reported that the mining industry needs new personnel due to anticipated retirements.

IV. Other Business

A. BRAC

Sherry Johnson, Lincoln Trail WIA Director, gave a brief update on BRAC, noting a possible excess of executive housing built in the area and a corresponding shortage of lower-income level housing, a retail impact study underway, development of a human resource center for excellence, efforts to improve information about local communities on the website, regular town hall briefings for area employees, the UPS/CPAC partnership, and an anticipated shortage of construction workers.

B. Labor Market Information (LMI) Demonstration

The LMI presentation was postponed due to technical and time constraints. It will be given at a subsequent meeting.

C. America's Job Bank

The Office of Employment and Training's Executive Director, Andy Fraenhoffer, reported that federal support of the America's Job Bank website will be phased out by June 30, 2007. This site, to which Kentucky's EKOS system is directly tied, serves a seven-state consortium. After the USDOL announcement, a multi-state workgroup was formed to investigate how to fill the void created by this change, but due to a lack of

interest and action by other participating states, Kentucky moved ahead independently. OET partnered with Kentucky Adult Education (KYAE) to develop a free employee job bank utilizing the existing E³ (Education, Employment, Economic Development) system. This partnership will also maintain the integrity of OET's existing information systems. While the employee job bank aspect requires additional development, development by KYAE of the E³ system was already underway with funding from the WIA program when the AJB issue became known. Testing on the employee job bank module will begin early next year. The system will be ready by July 1, 2007.

An individual from Louisville in the audience raised questions about the use of state resources to develop and fund a new system when private sources may have software already available and capable of providing the necessary services. She also questioned possible competition between the state and private businesses.

Mr. Frauenhoffer responded that several constraints, including the time frame, cost, and state regulations governing RFP contracting procedures as well as the need to maintain the integrity of existing systems and information, contributed to the decision to partner with Kentucky Adult Education to utilize and expand previously developed software. No funding support will be provided for state portals by USDOL.

Following a brief period of discussion, Mr. Frauenhoffer reiterated that time constraints resulting from the short notice provided by USDOL; the absolute deadline of July 1, 2007, for a new system to be in place; and the end result of a free-of-charge site for job postings which is the responsibility of the state to provide led to the decision made.

D. LWIA Update

Marlene Duffy, Director, TENCO LWIA, gave a brief update from the local WIAs, noting that Ms. Craft and Ms. Johnson had covered several related points in earlier reports. She emphasized the impact on the local areas of the proposed rescission, the problematic aspects of the proposed CAAs, and noted that the integration plans had been written and that implementation was underway. She stated that several local areas are working to provide additional data for the performance reports but that there are difficulties resulting from working with two distinct systems.

Ms. Craft stated that the local workforce investment areas make the state look good and that the central office will continue to support the local offices.

V. Next Meeting

The next KWIB meeting is scheduled for Tuesday, November 14, 2006.

VI. Adjournment

The meeting was adjourned at 12:15 p.m. Motion by Kimberly Maffet; seconded by Dixie Hamblin.

